

**Proposed IFC Investment in COFCO International Limited for the Nidera-COFCO  
Project and the Noble-COFCO Project  
(World Region)**

**September 25, 2014**

The United States thanks IFC staff for their detailed bilateral engagement us on this project. However, the United States would like to stress at the outset that this project does not strike us a good use of resources and the United States strongly encourages IFC to be more selective in determining when to finance major corporate operations.

The entities involved are all large and well capitalized, and there is no evidence that donor financing is needed to facilitate this transaction, especially as IFC is providing only \$140 million in what is ultimately a \$2.8 billion operation.

In addition to the lack of clear financial additionality, the United States has major questions about the potential for this operation to have any meaningful impact on development objectives, such as support for poor or smallholder farmers. While the project document suggests that this investment offers potential benefits to global food security by expanding storage and processing globally, no persuasive argumentation is provided to suggest that this will improve food security for poor or low income families. In this context, the United States would ask IFC management to clarify how it will calculate the indicator for millions of people fed under this program, and whether there is any way to discern whether this includes the poorest.

The project also poses significant environmental risks associated with crop production in ecologically sensitive areas. As one benefit of IFC engagement should be its ability to positively influence environmental management, the United States urges the IFC to closely monitor this investment for any potential environmental and social concerns.

In sum, the United States is very skeptical that this project will in any way advance the World Bank Group's twin corporate goals: eliminating the number of absolute poor and supporting inclusive growth, and wish to be recorded as opposing this investment.